Piper Rudnick

Madrid Protocol Client Alert

UNITED STATES JOINS TREATY FOR INTERNATIONAL TRADEMARK REGISTRATIONS

On Thursday, October 17, 2002, the U.S. Senate took the last legislative step toward passage and implementation of the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks, commonly known as the Madrid Protocol or the Protocol. By signing on to the Protocol, the United States will become part of the Madrid Union and will join 56 other jurisdictions in offering trademark applicants the ability to streamline the trademark application process in other member territories through an international registration process administered by the World Intellectual Property Organization (WIPO).

Specifically, the Senate passed the advice and consent resolution that approves the United States joining the Madrid Union under the provisions of the Protocol. This action comes on the heels of congressional passage of the legislation implementing the necessary legal structures for joining the Madrid Union and administering applications under the Protocol. President Bush must sign each of these important pieces of legislation in order to give them legal effect, and he is expected to do so shortly. Upon the President's approval, the United States Patent and Trademark Office must develop a system with rules for administering Protocol applications. The International Trademark Association estimates that it could be at least a year before U.S.-based trademark applicants are able to take advantage of the Madrid Protocol system.

The Madrid Protocol is generally considered to be a positive development in U.S. trademark law. Once the United States is a member of the Protocol, U.S.-based applicants will be able to file a single application in the United States Patent and Trademark Office that can, for a fee, be expanded to include applications in any additional country that is a member of the Protocol. Protection in each extended country is not guaranteed. Each national trademark office independently examines Protocol filings under the same standards applied to national applications filed through the individual trademark office. Therefore, it is still important that applicants consider the availability and viability of a mark in each country where protection is sought.

Pros and Cons of International Registration

With the availability of international registrations on the horizon, trademark owners and practitioners in the United States should begin considering the pros and cons of such filings so that they are prepared to make the best, most efficient use of Protocol applications. Some points to consider:

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Benefits of filing for international registration under the Protocol:

- Protocol filings are made in a single language and a single trademark office, reducing the need for translation fees and other application preparation costs;
- Protocol applicants pay a single fee based upon the number of countries to be covered by the registration and cost savings depend on the fee structure adopted by the jurisdictions selected;
- Filing under the Protocol eliminates the need to have independent counsel in each territory, although it is necessary to hire local counsel to conduct desired searches and address any issues raised on examination of the marks;
- Under the Protocol, registrants have one registration to track for multiple jurisdictions, with a single registration number and renewal date;
- If a Protocol mark is assigned or if the trademark owner changes its name or address, only one filing to record the change of name or assignment is necessary, regardless of the number of countries where the mark is protected;
- Once the United States joins the Protocol, trademark owners outside the United States can extend protection to the United States through existing international registrations;
- U.S. companies that previously relied on overseas subsidiaries to hold international registrations can unify trademark ownership with the U.S. parent company without forfeiting the international registration.

But here are some potential drawbacks of filing under the Protocol:

- By filing Protocol applications, applicants may lose the input of informed local counsel at all stages of the process, which may make it more difficult to address potential problems before investing in filing and prosecution costs;
- International registrations can only be assigned to new owners that reside in a member country (which excludes countries such as Canada and much of Latin America which are not members of the Protocol);
- The United States Patent and Trademark Office currently requires more detailed, and often more limited, identifications of goods and services than many Protocol member states—because Protocol filings are dependant on the home country mark that provides the basis for the application, individual national applications may provide broader overall protection for U.S. trademark owners;
- If the home application for a Protocol filing is amended or refused, that action applies to each extension application;
- International registrations cannot be amended after registration—applicants in industries where minor alterations are often made to existing registrations may prefer to file individual national registrations in territories where post-registration amendments are allowed.

The lawyers of Piper Rudnick are prepared to assist clients with all aspects of these developments and the changing laws in this area. For more information about the Madrid Protocol, you may contact any of our 50 Intellectual Property practice group attorneys, including:

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